



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

March 23, 2009

By electronic and U.S. Mail

Mark A. LaRose
LaRose & Bosco, Ltd.
200 North LaSalle Street
Suite 2801
Chicago, Illinois 60601

C-14J

RE: Metal Recycling Systems – Response to February 26 Letter

Dear Mr. LaRose:

Thank you for your letter dated February 26, 2009, regarding the framework for a potential settlement of Metal Recycling Systems' (MRS') alleged violations of the Standards for the Protection of Stratospheric Ozone, 40 C.F.R. Part 82, subpart F.

While I cannot recommend that EPA accept the proposed penalty of \$20,000 to \$30,000, I do feel as though we will be able to reach resolution on this matter. We are encouraged by MRS' interest in undertaking a pilot program as well as its good faith offer of settlement. If we can establish the pilot program as an approvable Supplemental Environmental Project (SEP), I believe that we will be able to come to agreement on a cash penalty and reach an amicable resolution in this matter. I would be prepared to recommend a settlement to my management if the cash penalty were in the \$50,000 range.

In order to undertake a thorough assessment of the pilot program proposed by your client, we will need additional details. Please provide the following information: the current costs of sheet iron and copper; what MRS plans to pay above the current market price; an average number of refrigerator units MRS anticipates accepting in the next 12 months; the cost of refrigerant reclamation units purchased by MRS; the method MRS will use to inform its customers that it will be accepting only intact units and any cost associated with advertising; and any other cost-related information regarding man hours taken to recover refrigerant from intact units, or any other expense MRS has incurred or anticipates incurring in going above-and-beyond compliance with the Stratospheric Ozone regulations. Also, we would expect MRS to conduct its pilot program for a full year and supply EPA with updates, especially as the market prices change.

Again, we are encouraged by MRS' proposal, and look forward to receiving its detailed plan for the pilot program. Once we have that information, we will be able to assess its value as a SEP, and we hope to move toward settlement of this matter. You may reach me at 312-353-8912, or schnieders.kathleen@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathleen', followed by a long, sweeping horizontal line.

Kathleen Kelly Schnieders
Associate Regional Counsel

cc: L. Roberts, AE-17J